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REFORMING GOVERNMENT

Changing the Way We Do Business in Michigan

Since taking office, Governor Jennifer Granholm has resolved more than \$4 billion in budget deficits, making more than \$3 billion in budget cuts. State government operates with fewer employees than at any time since 1973.

The Governor has eliminated waste, fraud and abuse wherever she could find it. From selling state-owned cars and planes to cutting back on state cell phone use and turning off the lights at night in state buildings, the Governor has left no stone unturned in her fight against unnecessary spending. The Granholm administration has saved \$524 million by requiring competitive bidding and renegotiation of state contracts. In addition, the state has saved more than \$279 million by attacking fraud and waste in the state's Medicaid and food stamp programs. The state has also saved hundreds of millions of dollars through initiatives like bulk purchasing of prescription drugs for Medicaid patients, shared human resources services, improved use of technology, and more.

In her State of the State address, Governor Granholm pledged to continue to wage war on waste, finding new efficiencies wherever possible to enable state government to work better for less. She outlined specific reforms the state will undertake in the coming year and said that local governments and schools will be asked to consolidate services as well.

Reforming Michigan's Prisons

Since 2002, the Michigan Department of Corrections (DOC) has achieved significant cost savings through a reorganization of structure and services. The DOC has saved hundreds of millions of dollars by eliminating hundreds of mid-level managers, closing prisons, camps and correction centers, consolidating business operations, and restructuring the entire administration of the department.

At the same time, Michigan's prison population is now larger than at any time in history as a result of three factors: the number of persons going to prison, the length of time they spend there, and how many are safely released back into the community. The size of Michigan's prison population and the state's rate of incarceration are significantly greater than our Midwestern neighbors and other similarly-sized states.

This has resulted in a skyrocketing budget but has not made Michigan safer than other states. For the first time in state history, Michigan's corrections budget is over \$2 billion, but our violent index crime rate is 34 percent above the average of our Midwestern neighbors.

The Governor has proposed a significant reform of Michigan's prison system to address both the rising population and skyrocketing costs by changing intake policies, reducing lengths of stay, and enhancing prisoner reentry programs. In the coming year, the DOC will work to:

- ***Amend Michigan's Sentencing Guidelines***

Michigan is the only state in the country whose sentencing guidelines structure includes a broad category of moderate-risk offenders for whom judges can use either prison or community-based sanctions at their total discretion. This poses a challenge for policymakers, because it is impossible to project how resources need to be allocated to address the offenders' risks and needs.

Since implementation of these guidelines, nearly twice as many moderate-risk offenders have received prison sentences, resulting in an extra \$1 billion in costs. By significantly reducing the number of offenders who are placed in this middle category, we can reduce the size of our prison population.

- ***Expand the Michigan Prisoner ReEntry Initiative (MPRI)***

MPRI, currently operating in eight communities, helps prisoners reintegrate into our communities upon their parole by starting to prepare them for that time from the day they enter prison. The program, which provides substance abuse treatment, job skill development and more, is already proving successful. Prisoners in the MPRI are 21 percent less likely to return to prison.

In 2007 and 2008, MPRI will be expanded statewide. In addition, the MPRI Community Placement Program, a new program, will provide additional community support to help transition offenders back into the community while maintaining strict supervision.

- ***Increase Commutation and Parole for Certain Categories of Prisoners***

Governor Granholm will issue an executive order creating a Clemency Advisory Council. This council will assist the parole board in reviewing cases for potential commutation and parole. Specific target populations include the medically fragile, foreign nationals likely to be deported upon release, and elderly, non-violent inmates.

- ***Invest in Community Corrections Programs***

In conjunction with the change in sentencing guidelines, the state will increase investment in proven community-based programs that provide a safe, cost-effective alternative sanction for low-level offenders.

- ***Increase the Number of Parole Officers***

As additional inmates are paroled and new offenders are placed in community-based programs, additional parole officers will be needed to provide appropriate oversight and ensure community safety.

Together, these reforms will not only address the current budgetary and prison-bed shortages but make the necessary policy changes to stem rising population growth and budget demands. The end result of these changes to prison intake policies, length of stay, and prisoner re-entry will be a need for up to 6,000 fewer prison beds. This will enable the DOC to close selected prisons and achieve significant budgetary savings.

Keeping Children Safe

In fiscal year 2005, the Department of Human Services (DHS) received nearly 129,000 child abuse complaints – an average of 353 complaints per day; 790 child protective services workers conducted over 72,000 investigations, confirming more than 18,000 cases of abuse.

Abuse and neglect complaints have increased by more than 6 percent over the past ten years. In total, the DHS staff has been reduced by more than 3,100 employees in just the last six years.

For the last three years, DHS has been engaged in a fundamental overhaul of child protection practices to ensure that, despite lower staffing levels, Michigan's children are safe. Changes include:

- requiring quarterly criminal background checks of all adults in caregiver households;
- requiring screening of caregiver relatives within one day of a child's placement into the care of a relative;
- overhauling and streamlining of computerized case management system to ensure that every worker, in every county sees all information related to a specific case, family and child, regardless of when or where incidents or reports occurred;
- combined training with Michigan State Police forensic interview experts to strengthen caseworkers' and supervisors' investigation skills to detect and anticipate dangerous situations;
- hiring additional child protection services workers.

This year, Governor Granholm has called for additional reforms in an effort to keep Michigan's children safe. The Governor will propose hiring additional foster care workers to reduce caseloads that are often almost double the nationally-recognized standard. In addition, DHS will work to strengthen training and improve oversight and accountability while ensuring that children and families are receiving the services they need.

Sharing and Consolidating Services

Cutting waste and creating efficiencies in state government is essential in today's economy. So, too, is efficiency at the local level. In the upcoming budget, Governor Granholm will ask Michigan's 83 counties, 533 cities and villages, 1,242 townships, and 609 school districts to do more to share and consolidate resources.

Governor Granholm has proposed a significant change to revenue sharing – the money provided by the state for local government services. The Governor has proposed a 2.5 percent increase in revenue sharing funds, but cities, villages, and townships must demonstrate that they are sharing services as a way to save taxpayer money in order to receive the increased funds. Cities, villages, and townships will need to have signed cooperative agreements in place to qualify for the additional funding.

In addition, the Governor has called on local school districts to cut costs by sharing and consolidating services at the county and regional level. The upcoming budget proposal will implement the Governor's call by providing financial incentives for shared services. The Governor has promised next year's budget will include penalties for schools who fail to meet this expectation.